

## **CONFIDENTIAL - FOR INTERNAL DISCUSSIONS ONLY**

May 18, 2006

Ms. Jeanne LaBrecque  
Director of Medicaid and Health Policy  
State of Indiana  
Office of Medicaid Policy and Planning  
402 W. Washington Street  
Indianapolis, IN 46204

### **RE: CAPITATION RATE DEVELOPMENT**

Dear Jeanne:

Milliman, Inc. (Milliman) has been retained by the State of Indiana, Office of Medicaid Policy and Planning (OMPP) to develop capitation rates for the risk based managed care health plans for calendar year 2007. In our analyses, we have determined capitation rates for each geographic region and rate cell. Separate rates have been developed for recipients classified with Medical Assistance Category U, Ineligible for TANF due to SSI payments (MA-U). The MA-U capitation rates were developed on a statewide basis. Milliman developed two sets of capitation rates based on differing levels of healthcare management assumptions. This letter provides the documentation for the development of the actuarially sound capitation rates. The documentation has been developed to address the items outlined in the Centers for Medicare and Medicaid Services rate setting checklist for regional offices.

### **LIMITATIONS**

The information contained in this letter, including the enclosures, has been prepared for the State of Indiana, Office of Medicaid Policy and Planning and their consultants and advisors. It is our understanding that the information contained in this letter may be utilized in a public document. To the extent that the information contained in this letter is provided to third parties, the letter should be distributed in its entirety. Any user of the data must possess a certain level of expertise in actuarial science and healthcare modeling so as not to misinterpret the data presented.

Milliman makes no representations or warranties regarding the contents of this letter to third parties. Likewise, third parties are instructed that they are to place no reliance upon this letter prepared for OMPP by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this letter



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must rely upon their own experts in drawing conclusions about the OMPP's capitation rates, assumptions, and trends.

The information contained in this letter was prepared as documentation of the actuarially sound capitation rates for Medicaid managed care organization health plans in the State of Indiana. The information may not be appropriate for any other purpose.

### **EXECUTIVE SUMMARY**

Capitation rate ranges have been developed for calendar year 2007 for both Package A/B and Package C. For Package A/B, separate rates have been developed for the MA-U population on a statewide basis. For the non-MA-U Package A/B and Package C rate cells, capitation rates have been determined by geographic region and rate cell. The capitation rate ranges were developed based on assuming differing levels of healthcare management. A capitation rate range has been developed for the maternity case rate. The rate range for the maternity case rate was developed by adjusting the relationship between the hospital and physician delivery rates.

A portion of mental health services, previously paid on a fee-for-service (FFS) basis, have been included in the calendar year 2007 capitation rates. Administrative costs associated with mental health services have been included in the capitation rates in proportion to the administrative cost for all other services.

In aggregate, prior to including the mental health services, the calendar year 2007 capitation rates will result in a 5.1% to 11.0% increase relative to the current calendar year 2006 capitation rates. The rate increase is based on high and low levels of healthcare management, respectively. The composite rate increase reflects health plan enrollment as of January 2006.

Enclosure 1 contains the calendar year 2007 capitation rates for each rate cell, geographic region, and healthcare management assumption.

Enclosure 2 contains an actuarial certification regarding the actuarial soundness of the capitation rates. The remainder of this letter provides the documentation of the development of the capitation rates. This letter should be provided in its entirety to CMS for their review and approval of the capitation rates.

### **CAPITATION RATE DEVELOPMENT**

The capitation rates were developed based on the state fiscal year 2003, 2004, and 2005 data; information from the EDS claim extract; the *Milliman Medicaid Cost Guidelines (Guidelines)*; and other Milliman proprietary data. The capitation rates were developed on an actuarially sound basis based on PCCM claim experience with adjustments for healthcare management, catastrophic claims, copayments, third party liability recoveries, regional fluctuations, and mandatory statewide risk-based managed care enrollment. The actuarially sound capitation rates were developed following the requirements outlined in the checklist guidelines prepared by CMS. This section of the letter follows the checklist and provides the required documentation.



## **AA.1. – Overview of Rate Setting Methodology**

### **AA.1.0. – Overview of Rate Setting Methodology**

OMPP contracted with Milliman to determine actuarially sound capitation rates. The actuarially sound capitation rates were developed from historical fee-for-service claims and enrollment data for the primary care case management population (PCCM). The PCCM population would be considered a comparable population to the population enrolled with the risk based managed care health plans. The historical experience was converted to a per member per month basis and stratified by region, age / gender rating cell, and category of service. The historical experience was trended forward based on projected trend rates to a center point of July 1, 2007 for the 2007 calendar year contract period. The historical experience was adjusted to reflect adjustments to the utilization and average cost per service that would be expected in a managed care organization.

#### **AA.1.1. – Actuarial Certification**

An actuarial certification has been included in Enclosure 2 of this letter. The letter has been signed by Robert M. Damler, FSA, a Principal and Consulting Actuary in the Indianapolis office of Milliman, Inc. Mr. Damler is a Member of the American Academy of Actuaries and meets the qualification standards established by the American Academy of Actuaries. This letter has been used to supplement the Actuarial Certification by outlining a detailed description of the rate setting methodology and the applicable checklist. Enclosure 3 provides an illustration of the capitation rate calculation for both the high and low levels of healthcare management assumptions.

#### **AA.1.2. – Projection of Expenditures**

Enclosure 4 contains a projection of expenditures based on the expected 2007 health plan enrollment distribution for both the 2006 and 2007 capitation rates. The comparison between the calendar year 2006 and 2007 capitation rates has been illustrated both including and excluding the mental health services that were carved in to the 2007 rates. The projections are shown on a PMPM and total dollar basis. Projections have been provided for both the high and low capitation rate range.

#### **AA.1.3. – Procurement, Prior Approval and Rate Setting**

OMPP will sign a contract with any entity meeting the technical programmatic requirements of the state, and that will accept the actuarially-sound, state-determined rate.

#### **AA.1.5. – Risk Contracts**

This section is a contractual issue between OMPP and the health plans.

#### **AA.1.6. – Limit on Payment to Other Providers**

This section is a contractual issue between OMPP and the health plans.



#### **AA.1.7. – Rate Modifications**

OMPP finished implementation of statewide mandatory risk-based managed care in November 2005. Since a large portion of the population was already enrolled in risk-based managed care during the base experience period, it was necessary to determine if the underlying population in the PCCM experience had a higher or lower average morbidity than the population expected to be covered by the health plans in calendar year 2007.

Milliman used fiscal year 2002 PCCM Package A/B claims experience to assess morbidity differences between the population in the base experience and the expected population enrolled in managed care during calendar year 2007. Fiscal year 2002 PCCM experience was used due to the time period being in advance of the implementation of mandatory risk-based managed care.

The fiscal year 2002 experience was developed excluding any recipient with more than \$50,000 in incurred claims during the 12 month period and did not include MA-U recipients. The claims experience included all services covered by the calendar year 2007 capitation rates. Using diagnosis information associated with hospital and physicians claims incurred during fiscal year 2002, Milliman used the Chronic Illness and Disability Payment System (CDPS) to determine the relative morbidity in each county and population during state fiscal year 2002. Risk scores by county were developed for newborns, all other children, and adults. The risk scores by county were modified to minimize random fluctuations in counties with low enrollment levels. A credibility level was assigned to each individual county's risk scores based on fiscal year 2002 member months within the county and population.

Using expected calendar year 2007 Package A/B health plan enrollment, the risk scores by county were rescaled and normalized to a 1.0 composite for the three risk score populations. The relative morbidity of the base experience was developed by weighting the PCCM enrollment in each experience fiscal year against the individual county's risk scores. If the composite risk score for the experience fiscal year enrollment was greater than 1.0, it indicated the base experience had a higher morbidity than the expected 2007 health plan population. In order to reflect similar morbidity levels as the 2007 health plan population, Milliman adjusted the base PCCM experience by each experience year's morbidity relative to calendar year 2007.

Package C population morbidity adjustments were developed from the Package A/B individual county risk scores and expected calendar year 2007 Package C health plan enrollment. A 1.0 adjustment was applied to the Package C Newborn population due to low enrollment levels. A single adjustment was applied to the remaining three Package C populations.

Milliman did not make any adjustments to the Maternity Case Rate experience for morbidity changes due to the implementation of statewide mandatory risk-based managed care.

Enclosure 5 illustrates the morbidity adjustments applied to the base experience by population and state fiscal year. A morbidity factor greater than 1.0 indicates the base period's experience was higher than the population expected to enroll in risk-based managed care in calendar year 2007.



## **AA.2. – Base Year Utilization and Cost Data**

### **AA.2.0. – Base Year Utilization and Cost Data**

The base year data was derived from a comparable Medicaid population that currently is and will continue to be enrolled in the managed care organizations. Under the terms of our contract with OMPP, Milliman received monthly detailed claim and eligibility files from EDS. The detailed claim files from EDS are the fee-for-service claims provided to the PCCM and FFS enrollees. Milliman utilized the claim files to compile the state fiscal year 2003, 2004, and 2005 experience for the PCCM population for both Package A/B and Package C. The PCCM population is comparable to the managed care health plan enrolled population. For the Newborn population, Milliman included the combination of PCCM enrollees and FFS enrollees.

#### **AA.2.1. – Medicaid Eligibles under the Contract**

Milliman extracted the eligible population information from historical data. The eligible population included TANF and CHIP category of assistance populations. Milliman limited the eligible population to those individuals enrolled in the PCCM program, with the exception of the Newborn population. FFS and PCCM populations were used for Newborns due to the PCCM population having very low enrollment for newborns under 30 days. For all other aid categories, the PCCM population is a comparable population to the population enrolled in the risk-based managed care plans.

#### **AA.2.2 – Dual Eligibles**

This adjustment is not applicable since dual eligible members are excluded from risk-based managed care.

#### **AA.2.3 – Spenddown**

This adjustment is not applicable since spend-down members are excluded from risk-based managed care.

#### **AA.2.4. – State Plan Services Only**

The capitation rates were developed from fee-for-service data that included only state plan approved services that the health plans are required to provide under the contract.

#### **AA.2.5. – Capitated Entity Services**

Milliman did not include any adjustments to the fee-for-service data to reflect services that may be covered by the managed care organizations from the contract savings.



### **AA.3. – Adjustments to the Base Year Data**

#### **AA.3.1 – Benefit Differences**

Milliman did not include any adjustments to the fee-for-service data to reflect changes in the benefits between the base period and the Medicaid managed care contract period. The fee-for-service data was adjusted to reflect services that are excluded from the Medicaid managed care covered service package. The excluded services were identified through the provider type, category of service, and procedure code allocations.

#### **AA.3.2. – Administrative Cost Allowance Calculations**

In the development of the actuarially sound capitation rates, Milliman has included an administrative cost allowance of 14.5% for the non-maternity capitation rates and 5.0% for the delivery case rate. The administrative cost allowance was calculated as a percentage of the capitation rate. Therefore, the capitation rate was determined by dividing the projected managed care claim cost by one minus the administrative cost allowance (*e.g.*, 1 minus 14.5%). By determining the capitation rate in this manner, the administrative allowance may be expressed as a percentage of the capitation rate. On a composite basis, the administrative cost allowance is approximately 13.8%. The composite would vary for each health plan based on the number of members and deliveries. In the establishment of the administrative cost allowance, we have utilized a value that is representative of Medicaid managed care organizations. Milliman reviewed data reported by the Indiana Medicaid managed care organizations for calendar years 2003 through 2005. Based on this review and additional administrative requirements required by OMPP in calendar year 2007, we have included the administrative cost allowances as outlined in Table 1.

**Table 1**

**STATE OF INDIANA  
OFFICE OF MEDICAID POLICY AND PLANNING  
Administrative Cost Allowance**

<b>Percent of Capitation</b>		
<b>Item</b>	<b>Non-Maternity</b>	<b>Maternity</b>
Administration	12.0%	4.0%
Profit/Contingency	1.0%	0.5%
Surplus Contribution	1.5%	0.5%
Total	14.5%	5.0%

#### **AA.3.3. – Special Populations' Adjustments**

This adjustment is not required due to the method of the data extraction and covered populations.



#### **AA.3.4. – Eligibility Adjustments**

The base data was adjusted to reflect the exclusion of member months that would not be covered during the managed care enrollment periods. The adjustment was developed by including PCCM periods of eligibility only. For the Newborn population, both PCCM and FFS periods of eligibility were included.

OMPP has previously limited Medicaid eligibility for Foster Children to age 19. For the calendar year 2007 contract period, Foster Children eligibility has been extended to, but excluding age 21. Milliman has made adjustments to the Adolescent Package A/B rate cell to reflect this extension of Foster Children eligibility. In calendar year 2007, approximately 2,000 additional member months will be covered due to this eligibility adjustment. The capitation rate adjustment reflects Foster Children having higher claim cost levels for mental health services and prescription drugs.

#### **AA.3.5. – DSH Payments**

DSH payments were not included in the development of the actuarially sound capitation rates. DSH payments are paid outside the fee-for-service payment system.

#### **AA.3.6. – Third Party Liability**

The fee-for-service experience was calculated using the net paid claim data from the fee-for-service data base. The paid amounts reflect a reduction for the amounts paid by third party carriers. Additionally, Milliman reduced the fee-for-service experience by 1.7% for Package A/B services to reflect third party liability recoveries following payment of claims. The 1.7% reduction represents the average third party liability recovery rate received by the state under the “pay-and-chase” recovery program. Third party liability may also be collected by the contractor.

#### **AA.3.7. – Copayments**

The PCCM fee-for-service experience was calculated with member co-payments included in the total payment amount.

#### **AA.3.8. – Graduate Medical Education**

Medical education payments for Medicaid stays are included in the DRG payments in the historical fee-for-service experience. No further adjustments were included.

#### **AA.3.9. – FQHC and RHC Reimbursement**

Milliman did not adjust the fee-for-service data for FQHC and RHC reimbursement in the development of the capitation rates.

#### **AA.3.10. – Cost Trending / Inflation**

In the development of the actuarially sound capitation rates, Milliman developed trend rates for two purposes. First, it was necessary to trend historical PCCM experience from state fiscal





year 2003, 2004, and 2005 forward to a common center point. Second, the blended rates from the three years of PCCM experience had to be trended forward from the common center point to the projection midpoint, July 1, 2007.

For the historical trend rates, Milliman utilized historical PCCM experience and performed linear regression on the data to develop trend rates by population and category of service for both utilization and PMPM. The 2003, 2004, and 2005 state fiscal year historical PCCM experience was trended forward to July 1, 2005, the common center point. Table 2 displays annual utilization trend rates by aid category and category of service. Table 3 provides the annual PMPM trend rates by aid category and category of service. Table 4 shows utilization and cost per delivery maternity trend rates.

**Table 2**

**STATE OF INDIANA  
OFFICE OF MEDICAID POLICY AND PLANNING  
Annual Historical Utilization Trend Rates**

Category of Service	Category of Assistance		
	Package A/B – Adult	Package A/B – Children	Package C
<b><i>Inpatient Hospital</i></b>			
Medical/Surgical	(4.0%)	3.5%	6.0%
Well Newborn	0.0%	3.5%	2.0%
Behavioral Health	5.0%	4.0%	4.0%
Other Inpatient	(4.0%)	3.5%	6.0%
<b><i>Other Outpatient</i></b>			
Emergency Room	3.5%	7.0%	10.0%
Other Outpatient	3.5%	7.0%	10.0%
<b><i>Pharmacy</i></b>			
Prescription Drugs	1.0%	6.0%	5.0%
<b><i>Ancillaries</i></b>			
Transportation	3.5%	3.5%	(1.0%)
DME, HH, Other	8.0%	6.0%	6.0%
<b><i>Physician</i></b>			
Surgery	1.0%	4.0%	1.5%
Office Visits[Consults]	1.0%	4.0%	1.5%
Well Baby Exams	1.0%	4.0%	1.5%
Hospital IP Visits	1.0%	4.0%	1.5%
ER Visits	1.0%	4.0%	1.5%
Clinic Visit/Services	0.0%	(7.0%)	(3.0%)
Radiology/Pathology	9.5%	7.0%	9.0%
Behavioral Health	5.0%	4.0%	6.0%
Self-Referral	3.0%	3.0%	3.0%
Other Professional	3.0%	3.0%	3.0%





**Table 3**

**STATE OF INDIANA  
OFFICE OF MEDICAID POLICY AND PLANNING  
Annual Historical PMPM Trend Rates**

Category of Service	Category of Assistance		
	Package A/B – Adult	Package A/B – Children	Package C
<b><i>Inpatient Hospital</i></b>			
Medical/Surgical	(2.5%)	3.6%	(2.0%)
Well Newborn	0.0%	3.6%	2.0%
Behavioral Health	3.0%	3.0%	3.0%
Other Inpatient	(2.5%)	3.6%	(2.0%)
<b><i>Other Outpatient</i></b>			
Emergency Room	4.5%	6.6%	11.0%
Other Outpatient	4.5%	6.6%	11.0%
<b><i>Pharmacy</i></b>			
Prescription Drugs	4.0%	13.0%	17.5%
<b><i>Ancillaries</i></b>			
Transportation	12.0%	3.0%	(1.0%)
DME, HH, Other	10.0%	8.0%	8.0%
<b><i>Physician</i></b>			
Surgery	1.0%	5.6%	5.5%
Office Visits[Consults	1.0%	5.6%	5.5%
Well Baby Exams	1.0%	5.6%	5.5%
Hospital IP Visits	1.0%	5.6%	5.5%
ER Visits	1.0%	5.6%	5.5%
Clinic Visit/Services	5.0%	5.0%	5.0%
Radiology/Pathology	12.0%	4.5%	11.0%
Behavioral Health	3.0%	3.0%	6.0%
Self-Referral	3.0%	3.0%	3.0%
Other Professional	3.0%	3.0%	3.0%

**Table 4**

**STATE OF INDIANA  
OFFICE OF MEDICAID POLICY AND PLANNING  
Annual Historical Maternity Trend Rates**

Category of Service	Utilization	Per Delivery
<b><i>Inpatient Hospital</i></b>		
Delivery	0.0%	3.5%
<b><i>Physician</i></b>		
Delivery	0.0%	3.0%
Non-Delivery	0.0%	3.0%



The trend rates used to move the base experience forward to the projected period midpoint were developed from the historical PCCM trend rates and the 2005 OMPP Budget trend rates for the PCCM population. Table 5 illustrates the projected trend rates by aid category and category of service. The trend rates shown in Table 5 were applied to the PMPM cost.

**Table 5**

**STATE OF INDIANA  
OFFICE OF MEDICAID POLICY AND PLANNING  
2007 PMPM Trend Rates**

Category of Service	Category of Assistance			
	Package A/B - Adults	Package A/B - Children	Package C	Maternity
<b><i>Hospital</i></b>				
Inpatient	(1.0%)	3.6%	(1.0%)	3.0%
Inpatient Psych	4.0%	4.0%	4.0%	N/A
Outpatient	5.0%	6.0%	10.0%	N/A
Prescription Drugs	4.0%	12.0%	13.5%	N/A
DME/HH/Other	10.0%	6.0%	8.0%	N/A
Transportation	12.0%	3.0%	3.0%	N/A
Physician	5.0%	6.0%	5.5%	2.5%
Behavioral Health OP	4.0%	4.0%	4.0%	N/A
Other Professional	4.0%	4.0%	4.0%	N/A
Clinic Services	5.0%	5.0%	5.0%	N/A
Radiology/Pathology	10.0%	5.0%	10.0%	N/A

**AA.3.11. – Utilization Adjustments**

Milliman adjusted the PCCM fee-for-service utilization and reimbursement rates per service to reflect the managed care environment. After reviewing reported encounter experience, utilization benchmarks in the *Guidelines*, and other sources, Milliman calculated percentage reductions to reflect the utilization differential between a moderately well managed population and a PCCM fee-for-service population. The percentage reductions were applied to the PCCM fee-for-service experience. In the development of the capitation rate range, Milliman assumed a more loosely managed population for the low degree of healthcare management capitation rates.

In addition to adjusting utilization rates to reflect healthcare management, Milliman adjusted the average reimbursement rates to reflect changes in the mix / intensity of services due to the management of health care. The reimbursement rate changes were also developed from data and information contained in the *Guidelines*. Finally, Milliman increased the fee – for – service fee amounts by 10% for physician evaluation and management codes.

Utilization and average reimbursement adjustments were developed for each rate cell. The adjustments reflect a target of 50% to 75% degree of healthcare management for the capitation rates with a high degree of healthcare management. The capitation rates with a low degree of



healthcare management assume management levels between 10% and 25%. The adjustments for both utilization and average reimbursement are shown in the projection worksheets for each aid category. For both the high and low degree of healthcare management rates for the MA-U population, Milliman assumed healthcare management levels would be reduced by one half compared to the respective non-MA-U population. Milliman did not assume any managed care savings for the maternity delivery case rate.

For the Newborn population in both Package A/B and Package C, Milliman adjusted the base experience to reflect an older population being covered by the health plans versus the FFS/PCCM base experience environment. A large portion of the claim cost included in the newborn rate occurs within the first few days of a recipient's life. Despite the implementation of statewide mandatory risk-based managed care, a portion of Newborns will continue to be born in a FFS environment and transition to managed care plan following hospital discharge.

#### **AA.3.12. – Utilization and Cost Assumptions**

OMPP finished implementation of statewide mandatory risk-based managed care in November 2005. Historically, enrollment under the PCCM or Managed Care programs was determined by the recipient's primary care physician participation in either program. It was assumed the underlying population for both programs is similar, since the recipient did not have a choice in selecting a program. Therefore, no adjustments were made to reflect voluntary selection in the base experience or when determining the capitation rates for calendar year 2007.

However, as previously discussed, Milliman developed morbidity adjustments using CDPS to reflect the population differences between the PCCM experience data and projected enrollment. The morbidity factors are illustrated in Enclosure 5.

#### **AA.3.13. – Post-eligibility Treatment of Income**

Milliman did not adjust the data to reflect this post-eligibility treatment of income.

#### **AA.3.14. – Incomplete Data Adjustment**

Milliman used 36 months of claims experience for the PCCM population that was incurred through June 2005 and paid through January 2006 (seven months of run-out). Milliman applied claim completion factors to the twelve months of fiscal year 2005 claims experience. The claim completion factors were developed by service category and aid group based on claims experience for the PCCM population incurred and paid through February 2006. Enclosure 6 shows the composite completion factors that were used.

#### **AA.4.1. and AA.4.2 – Age and Gender Rating Categories**

The following table illustrates the age / gender rating categories used for the development of the fee-for-service data book values, as well as the capitation rates.



Age Range	Gender
Newborns: <1	Unisex
Preschool: 1-5	Unisex
Children: 6-12	Unisex
Adolescents: 13-20	Unisex
Adults: 21+	Male/Female
Delivery Case Rate	All Ages

Note: Package C ages end at age 18.

#### **AA.4.3. and AA.4.4. – Locality / Region and Eligibility Categories**

Separate capitation rates were developed for the MA-U and Non-MA-U populations. OMPP has separated the counties into eight regions: Northwest, North Central, Northeast, West Central, Central, East Central, Southwest, and Southeast. For the non-MA-U population, capitation rates were established for Package A/B, Package C, and maternity delivery on a regional basis. The regional rates, with the exception of the maternity rate, were adjusted by area factor relativities developed from the PCCM experience in state fiscal year 2002. Risk scores by county and population were determined using CDPS and the same methodology as discussed in Section AA.1.7. of this document. The individual risk scores by county were weighted by the expected calendar year 2007 health plan enrollment to develop area factors for the eight regions. Enclosure 7 illustrates the area factors used in setting the regional capitation rates for the non-MA-U population in calendar year 2007.

Area factors for the maternity case rate were developed from PCCM experience during state fiscal year 2003, 2004, and 2005. The regional variability in claim cost for services included in the maternity case payment is significantly less than other state plan services. The maternity area factors are also provided in Enclosure 7.

For the MA-U population, statewide rates were calculated for each aid group category and maternity delivery. A low number of MA-U enrollees and large fluctuations in claim cost in the three state fiscal year experience periods indicated area factors for the MA-U population would be inappropriate.

#### **AA.5.0., AA.5.1, and AA.5.2. – Data Smoothing**

Milliman trended state fiscal year 2003, 2004, and 2005 PCCM experience for both Packages A/B and C to a common center point (July 1, 2005). Prior to being blended, each fiscal year's experience was adjusted based on the population's morbidity relative to the expected calendar year 2007 health plan population. After each fiscal year was adjusted for morbidity differences, the trended experience from the three fiscal years was blended by giving equal weight to each fiscal year.

Milliman made adjustments for individuals with large claims. Milliman excluded recipients with more than \$50,000 of medical expenditures in a given fiscal year from the base experience included in the capitation rates. The experience from the high-cost recipients was summarized to



calculate the impact their claim experience would have on the base experience PMPM during each of the three fiscal years. Milliman averaged the impact of the large claims during the three fiscal years. Based on the average large claim impact, Milliman developed a managed care-adjusted expected PMPM estimate from the *Guidelines* to reflect claims costs for individuals who incur more than \$50,000 in a year.

#### **AA.5.3. – Risk-Adjustment**

Milliman utilized the Chronic Illness & Disability System, Version 2.5, and state fiscal year 2002 PCCM experience to develop underlying morbidity assumptions for each county and rate cell. The risk scores by county were used to adjust the base experience data to calendar year 2007 health plan morbidity levels and to develop area factors for each of the eight regions by population. Although CDPS was utilized to develop morbidity factors, the health plans will receive reimbursement on an age, gender, and geographic region basis without regard to CDPS risk factors.

#### **AA.6.0. – Stop Loss, Reinsurance, or Risk-sharing Arrangements**

OMPP does not provide any reinsurance provision.

##### **AA.6.1 – Commercial Reinsurance**

OMPP requires the carriers to maintain a minimum specific stop-loss reinsurance policy.

##### **AA.6.2 – Simple Stop Loss Program**

OMPP does not provide for any of these provisions in the terms of their contract with the managed care organizations.

##### **AA.6.3 – Risk Corridor Program**

OMPP does not provide for any of these provisions in the terms of their contract with the managed care organizations.

#### **AA.7.0 – Incentive Arrangements**

OMPP has established an incentive arrangement for the future contract period based on HEDIS performance standards, preventive care benchmarks, and other quality and cost effectiveness measures. For the 2007 contract period, incentive payments will be set at 0.5% of total capitation payments. Incentive payments will be distributed in an actuarially sound manner based upon approved services for Medicaid beneficiaries. Incentive payments will be available to both private and public contractors, and will not be conditioned upon intergovernmental transfer agreements. Incentive payments will be reviewed on an annual basis, and will not be renewed automatically. Milliman has examined the incentive payment methodology and considers it to be actuarially sound.



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If you have any questions regarding the enclosed information, please do not hesitate to contact me at (317) 524-3512.

Sincerely,

ELECTRONIC  
SIGNATURE

Robert M. Damler, FSA, MAAA  
Principal and Consulting Actuary

RMD/sdm  
Enclosures



**CONFIDENTIAL - FOR INTERNAL DISCUSSIONS ONLY**

**ENCLOSURE 1**



**STATE OF INDIANA  
OFFICE OF MEDICAID POLICY & PLANNING  
Calendar Year 2007 Capitation Rates  
Non-MAU Population**

**Package A\B Non-MAU Low Rate Range**

<u>Aid Category</u>	<u>Northwest</u>	<u>North Central</u>	<u>Northeast</u>	<u>West Central</u>	<u>Central</u>	<u>East Central</u>	<u>Southwest</u>	<u>Southeast</u>
Newborns	\$334.20	\$328.46	\$353.86	\$370.16	\$341.58	\$377.13	\$379.10	\$386.76
Preschoolers	68.11	74.91	75.40	78.92	70.95	81.22	85.54	81.42
Children	77.13	84.83	85.39	89.38	80.35	91.98	96.88	92.21
Adolescents	112.83	124.10	124.92	130.75	117.54	134.55	141.72	134.88
Adult Males	270.00	249.42	262.95	296.61	244.00	291.44	319.16	302.12
Adult Females	257.11	237.51	250.40	282.46	232.36	277.53	303.92	287.70

**Package A\B Non-MAU High Rate Range**

<u>Aid Category</u>	<u>Northwest</u>	<u>North Central</u>	<u>Northeast</u>	<u>West Central</u>	<u>Central</u>	<u>East Central</u>	<u>Southwest</u>	<u>Southeast</u>
Newborns	\$367.21	\$360.90	\$388.81	\$406.73	\$375.32	\$414.38	\$416.55	\$424.95
Preschoolers	73.27	80.58	81.12	84.90	76.32	87.37	92.03	87.59
Children	81.20	89.31	89.90	94.10	84.59	96.83	101.99	97.07
Adolescents	115.98	127.56	128.40	134.39	120.81	138.30	145.67	138.64
Adult Males	281.66	260.19	274.30	309.42	254.54	304.03	332.94	315.17
Adult Females	266.13	245.84	259.18	292.37	240.51	287.27	314.59	297.80

**Package C Non-MAU Low Rate Range**

<u>Aid Category</u>	<u>Northwest</u>	<u>North Central</u>	<u>Northeast</u>	<u>West Central</u>	<u>Central</u>	<u>East Central</u>	<u>Southwest</u>	<u>Southeast</u>
Newborns	\$193.70	\$193.70	\$193.70	\$193.70	\$193.70	\$193.70	\$193.70	\$193.70
Preschoolers	80.14	87.15	86.92	90.51	84.01	92.35	97.74	93.63
Children	87.08	94.69	94.44	98.34	91.28	100.34	106.20	101.73
Adolescents	118.67	129.04	128.70	134.01	124.40	136.74	144.72	138.64

**Package C Non-MAU High Rate Range**

<u>Aid Category</u>	<u>Northwest</u>	<u>North Central</u>	<u>Northeast</u>	<u>West Central</u>	<u>Central</u>	<u>East Central</u>	<u>Southwest</u>	<u>Southeast</u>
Newborns	\$203.98	\$203.98	\$203.98	\$203.98	\$203.98	\$203.98	\$203.98	\$203.98
Preschoolers	85.79	93.29	93.04	96.89	89.93	98.85	104.63	100.23
Children	97.97	106.54	106.26	110.64	102.70	112.89	119.48	114.46
Adolescents	128.55	139.78	139.42	145.17	134.76	148.12	156.77	150.18

**Maternity Case Rate**

	<u>Northwest</u>	<u>North Central</u>	<u>Northeast</u>	<u>West Central</u>	<u>Central</u>	<u>East Central</u>	<u>Southwest</u>	<u>Southeast</u>
Low Case Rate	\$3,429.99	\$3,421.86	\$3,366.24	\$3,302.18	\$3,431.83	\$3,431.51	\$3,466.88	\$3,481.37
High Case Rate	3,769.56	3,760.62	3,699.50	3,629.09	3,771.59	3,771.23	3,810.10	3,826.02

**STATE OF INDIANA  
OFFICE OF MEDICAID POLICY & PLANNING  
Calendar Year 2007 Capitation Rates  
MAU Population**

**Package A\B MAU Statewide**

<u>Aid Category</u>	<u>Low Rate</u>	<u>High Rate</u>
Newborns	\$1,306.69	\$1,373.52
Preschoolers	627.56	667.39
Children	370.56	393.54
Adolescents	342.84	349.39
Adult Males	451.08	456.89
Adult Females	567.64	576.63
Maternity Case Rate	\$3,850.54	\$4,231.75



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## **ENCLOSURE 2**



**CONFIDENTIAL - FOR INTERNAL DISCUSSIONS ONLY**

**STATE OF INDIANA  
OFFICE OF MEDICAID POLICY AND PLANNING  
Capitation Rates Effective January 1, 2007 through December 31, 2007**

**Actuarial Certification**

I, Robert M. Damler, am a Principal and Consulting Actuary with the firm of Milliman, Inc. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I was retained by the State of Indiana, Office of Medicaid Policy and Planning to perform an actuarial review and certification regarding the development of the capitation rates to be effective for calendar year 2007. The capitation rates were developed for the Packages A/B and Package C populations from PCCM experience incurred from July 1, 2002, through June 30, 2005. I have experience in the examination of financial calculations for Medicaid programs and meet the qualification standards for rendering this opinion.

I reviewed the historical claims experience for reasonableness and consistency. I have developed certain actuarial assumptions and actuarial methodologies regarding the projection of healthcare expenditures into future periods. I have complied with the elements of the rate setting checklist CMS developed for its Regional Offices regarding 42 CFR 438.6(c) for capitated Medicaid managed care plans.

The capitation rates provided with this certification are effective for a one-year rating period beginning January 1, 2007, through December 31, 2007. At the end of the one-year period, the capitation rates will be updated for calendar year 2008. The update will be based on OMPP trend experience, managed care utilization and trend experience, policy and procedure changes, and other changes in the health care market. A separate certification will be provided with the updated rates.

The capitation rates provided with certification are considered actuarially sound, defined as:

- the capitation rates have been developed in accordance with generally accepted actuarial principles and practices;
- the capitation rates are appropriate for the populations to be covered, and the services to be furnished under the contract; and,
- the capitation rates meet the requirements of 42 CFR 438.6(c).

This actuarial certification has been based on the actuarial methods, considerations, and analyses promulgated from time to time through the Actuarial Standards of Practice by the Actuarial Standards Board.

  
ELECTRONIC  
SIGNATURE

Robert M. Damler, FSA  
Member, American Academy of Actuaries

May 18, 2006  
Date



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**ENCLOSURE 3**

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
Low Rate Range

<b>Region:</b>	<b>Northwest</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>		<b>2007 Proposed</b>		<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	5,588	\$238.80	\$64.86	\$0.00	1.014	\$307.92	(1.70%)	0.944	\$285.74	\$48.46	\$334.20	\$0.04	\$334.16	\$328.88	1.6%
Preschoolers	20,263	59.91	4.42	0.00	1.019	65.53	(1.70%)	0.904	58.23	9.88	68.11	1.22	66.89	73.20	(8.6%)
Children	22,647	70.25	3.20	0.00	1.010	74.22	(1.70%)	0.904	65.95	11.18	77.13	6.29	70.84	75.62	(6.3%)
Adolescents	15,543	101.59	5.82	0.07	1.010	108.56	(1.70%)	0.904	96.47	16.36	112.83	6.36	106.47	107.96	(1.4%)
Adult Males	1,241	223.16	10.66	0.00	1.008	235.63	(1.70%)	0.997	230.85	39.15	270.00	4.01	265.99	251.95	5.6%
Adult Females	13,537	218.24	4.16	0.00	1.009	224.38	(1.70%)	0.997	219.83	37.28	257.11	3.94	253.17	227.23	11.4%
<b>Composite</b>	78,819	\$113.55	\$8.68	\$0.01	1.012	\$123.66	(1.70%)	0.924	\$114.59	\$19.43	\$134.02	\$4.12	\$129.91	\$128.15	1.4%
<b>Maternity Delivery Payment</b>	364	\$3,253.02	\$0.00	\$0.00	1.000	\$3,253.02	0.00%	1.002	\$3,258.49	\$171.50	\$3,429.99	\$0.00	\$3,429.99	\$3,441.37	(0.3%)

<b>Region:</b>	<b>North Central</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>		<b>2007 Proposed</b>		<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	4,608	\$238.80	\$64.86	\$0.00	1.014	\$307.92	(1.70%)	0.928	\$280.83	\$47.63	\$328.46	\$0.04	\$328.42	\$328.88	(0.1%)
Preschoolers	13,340	59.91	4.42	0.00	1.019	65.53	(1.70%)	0.994	64.05	10.86	74.91	1.34	73.57	73.20	0.5%
Children	13,886	70.25	3.20	0.00	1.010	74.22	(1.70%)	0.994	72.53	12.30	84.83	6.92	77.92	75.62	3.0%
Adolescents	9,678	101.59	5.82	0.07	1.010	108.56	(1.70%)	0.994	106.10	17.99	124.10	7.00	117.10	107.96	8.5%
Adult Males	791	223.16	10.66	0.00	1.008	235.63	(1.70%)	0.921	213.25	36.17	249.42	3.70	245.71	251.95	(2.5%)
Adult Females	6,780	218.24	4.16	0.00	1.009	224.38	(1.70%)	0.921	203.07	34.44	237.51	3.64	233.87	227.23	2.9%
<b>Composite</b>	49,083	\$112.35	\$10.09	\$0.01	1.013	\$123.91	(1.70%)	0.977	\$116.70	\$19.79	\$136.49	\$4.27	\$132.22	\$128.90	2.6%
<b>Maternity Delivery Payment</b>	81	\$3,253.02	\$0.00	\$0.00	1.000	\$3,253.02	0.00%	0.999	\$3,250.77	\$171.09	\$3,421.86	\$0.00	\$3,421.86	\$3,441.37	(0.6%)

<b>Region:</b>	<b>Northeast</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>		<b>2007 Proposed</b>		<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	4,771	\$238.80	\$64.86	\$0.00	1.014	\$307.92	(1.70%)	1.000	\$302.55	\$51.31	\$353.86	\$0.05	\$353.81	\$328.88	7.6%
Preschoolers	15,047	59.91	4.42	0.00	1.019	65.53	(1.70%)	1.001	64.47	10.93	75.40	1.35	74.05	73.20	1.2%
Children	16,062	70.25	3.20	0.00	1.010	74.22	(1.70%)	1.001	73.01	12.38	85.39	6.96	78.43	75.62	3.7%
Adolescents	10,860	101.59	5.82	0.07	1.010	108.56	(1.70%)	1.001	106.80	18.11	124.92	7.04	117.87	107.96	9.2%
Adult Males	1,014	223.16	10.66	0.00	1.008	235.63	(1.70%)	0.971	224.82	38.13	262.95	3.90	259.04	251.95	2.8%
Adult Females	7,311	218.24	4.16	0.00	1.009	224.38	(1.70%)	0.971	214.09	36.31	250.40	3.84	246.56	227.23	8.5%
<b>Composite</b>	55,065	\$110.67	\$9.66	\$0.01	1.013	\$121.77	(1.70%)	0.996	\$118.76	\$20.14	\$138.90	\$4.37	\$134.52	\$126.66	6.2%
<b>Maternity Delivery Payment</b>	133	\$3,253.02	\$0.00	\$0.00	1.000	\$3,253.02	0.00%	0.983	\$3,197.93	\$168.31	\$3,366.24	\$0.00	\$3,366.24	\$3,441.37	(2.2%)

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
Low Rate Range

<b>Region:</b>	<b>West Central</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected 2007</b>	<b>CY2007 Adjusted</b>	<b>Large Claim</b>	<b>Foster Children</b>	<b>Physician Fee Schedule</b>	<b>Total Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Regional Adjusted</b>	<b>Admin/ Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>2007 Proposed Cap Rate</b>	<b>2006 Actual</b>	
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	3,144	\$238.80	\$64.86	\$0.00	1.014	\$307.92	(1.70%)	1.046	\$316.49	\$53.67	\$370.16	\$0.05	\$370.12	\$309.00	19.8%
Preschoolers	9,990	59.91	4.42	0.00	1.019	65.53	(1.70%)	1.048	67.48	11.44	78.92	1.41	77.51	82.37	(5.9%)
Children	10,781	70.25	3.20	0.00	1.010	74.22	(1.70%)	1.048	76.42	12.96	89.38	7.29	82.09	85.12	(3.6%)
Adolescents	7,859	101.59	5.82	0.07	1.010	108.56	(1.70%)	1.048	111.79	18.96	130.75	7.37	123.38	121.48	1.6%
Adult Males	837	223.16	10.66	0.00	1.008	235.63	(1.70%)	1.095	253.60	43.01	296.61	4.40	292.21	312.93	(6.6%)
Adult Females	5,074	218.24	4.16	0.00	1.009	224.38	(1.70%)	1.095	241.50	40.96	282.46	4.33	278.12	282.25	(1.5%)
<b>Composite</b>	37,685	\$111.43	\$9.51	\$0.01	1.013	\$122.38	(1.70%)	1.055	\$127.62	\$21.64	\$149.26	\$4.68	\$144.58	\$142.26	1.6%
<b>Maternity Delivery Payment</b>	115	\$3,253.02	\$0.00	\$0.00	1.000	\$3,253.02	0.00%	0.964	\$3,137.07	\$165.11	\$3,302.18	\$0.00	\$3,302.18	\$3,410.52	(3.2%)

<b>Region:</b>	<b>Central</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected 2007</b>	<b>CY2007 Adjusted</b>	<b>Large Claim</b>	<b>Foster Children</b>	<b>Physician Fee Schedule</b>	<b>Total Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Regional Adjusted</b>	<b>Admin/ Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>2007 Proposed Cap Rate</b>	<b>2006 Actual</b>	
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	12,159	\$238.80	\$64.86	\$0.00	1.014	\$307.92	(1.70%)	0.965	\$292.05	\$49.53	\$341.58	\$0.04	\$341.54	\$309.00	10.5%
Preschoolers	38,189	59.91	4.42	0.00	1.019	65.53	(1.70%)	0.942	60.66	10.29	70.95	1.27	69.68	82.37	(15.4%)
Children	39,597	70.25	3.20	0.00	1.010	74.22	(1.70%)	0.942	68.70	11.65	80.35	6.55	73.80	85.12	(13.3%)
Adolescents	28,771	101.59	5.82	0.07	1.010	108.56	(1.70%)	0.942	100.49	17.04	117.54	6.63	110.91	121.48	(8.7%)
Adult Males	2,242	223.16	10.66	0.00	1.008	235.63	(1.70%)	0.901	208.62	35.38	244.00	3.62	240.38	312.93	(23.2%)
Adult Females	22,036	218.24	4.16	0.00	1.009	224.38	(1.70%)	0.901	198.66	33.69	232.36	3.56	228.79	282.25	(18.9%)
<b>Composite</b>	142,994	\$113.33	\$9.56	\$0.01	1.013	\$124.35	(1.70%)	0.937	\$114.16	\$19.36	\$133.52	\$4.10	\$129.43	\$144.69	(10.5%)
<b>Maternity Delivery Payment</b>	689	\$3,253.02	\$0.00	\$0.00	1.000	\$3,253.02	0.00%	1.002	\$3,260.24	\$171.59	\$3,431.83	\$0.00	\$3,431.83	\$3,410.52	0.6%

<b>Region:</b>	<b>East Central</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected 2007</b>	<b>CY2007 Adjusted</b>	<b>Large Claim</b>	<b>Foster Children</b>	<b>Physician Fee Schedule</b>	<b>Total Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Regional Adjusted</b>	<b>Admin/ Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>2007 Proposed Cap Rate</b>	<b>2006 Actual</b>	
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	3,783	\$238.80	\$64.86	\$0.00	1.014	\$307.92	(1.70%)	1.065	\$322.45	\$54.68	\$377.13	\$0.05	\$377.08	\$309.00	22.0%
Preschoolers	12,242	59.91	4.42	0.00	1.019	65.53	(1.70%)	1.078	69.44	11.78	81.22	1.45	79.77	82.37	(3.2%)
Children	14,059	70.25	3.20	0.00	1.010	74.22	(1.70%)	1.078	78.64	13.34	91.98	7.50	84.48	85.12	(0.8%)
Adolescents	10,117	101.59	5.82	0.07	1.010	108.56	(1.70%)	1.078	115.04	19.51	134.55	7.59	126.97	121.48	4.5%
Adult Males	1,195	223.16	10.66	0.00	1.008	235.63	(1.70%)	1.076	249.18	42.26	291.44	4.33	287.11	312.93	(8.3%)
Adult Females	7,097	218.24	4.16	0.00	1.009	224.38	(1.70%)	1.076	237.29	40.24	277.53	4.26	273.28	282.25	(3.2%)
<b>Composite</b>	48,493	\$112.75	\$9.19	\$0.01	1.012	\$123.37	(1.70%)	1.077	\$130.35	\$22.11	\$152.46	\$4.86	\$147.60	\$143.94	2.5%
<b>Maternity Delivery Payment</b>	183	\$3,253.02	\$0.00	\$0.00	1.000	\$3,253.02	0.00%	1.002	\$3,259.94	\$171.58	\$3,431.51	\$0.00	\$3,431.51	\$3,410.52	0.6%

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
Low Rate Range

<b>Region:</b>	<b>Southeast</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>			<b>2007 Proposed</b>	<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	3,661	\$238.80	\$64.86	\$0.00	1.014	\$307.92	(1.70%)	1.092	\$330.68	\$56.08	\$386.76	\$0.05	\$386.71	\$310.81	24.4%
Preschoolers	10,748	59.91	4.42	0.00	1.019	65.53	(1.70%)	1.081	69.61	11.81	81.42	1.45	79.96	80.11	(0.2%)
Children	12,265	70.25	3.20	0.00	1.010	74.22	(1.70%)	1.081	78.84	13.37	92.21	7.52	84.69	82.83	2.2%
Adolescents	8,727	101.59	5.82	0.07	1.010	108.56	(1.70%)	1.081	115.32	19.56	134.88	7.60	127.28	118.21	7.7%
Adult Males	732	223.16	10.66	0.00	1.008	235.63	(1.70%)	1.115	258.32	43.81	302.12	4.49	297.64	306.73	(3.0%)
Adult Females	5,281	218.24	4.16	0.00	1.009	224.38	(1.70%)	1.115	245.99	41.72	287.70	4.41	283.29	277.07	2.2%
<b>Composite</b>	41,414	\$110.64	\$9.77	\$0.01	1.013	\$121.86	(1.70%)	1.087	\$130.88	\$22.20	\$153.08	\$4.85	\$148.22	\$138.46	7.1%
<b>Maternity Delivery Payment</b>	80	\$3,253.02	\$0.00	\$0.00	1.000	\$3,253.02	0.00%	1.017	\$3,307.30	\$174.07	\$3,481.37	\$0.00	\$3,481.37	\$3,434.52	1.4%

<b>Region:</b>	<b>Southwest</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>			<b>2007 Proposed</b>	<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	4,315	\$238.80	\$64.86	\$0.00	1.014	\$307.92	(1.70%)	1.071	\$324.13	\$54.97	\$379.10	\$0.05	\$379.05	\$310.81	22.0%
Preschoolers	13,263	59.91	4.42	0.00	1.019	65.53	(1.70%)	1.135	73.14	12.40	85.54	1.53	84.01	80.11	4.9%
Children	14,955	70.25	3.20	0.00	1.010	74.22	(1.70%)	1.135	82.83	14.05	96.88	7.90	88.98	82.83	7.4%
Adolescents	10,517	101.59	5.82	0.07	1.010	108.56	(1.70%)	1.135	121.17	20.55	141.72	7.99	133.73	118.21	13.1%
Adult Males	990	223.16	10.66	0.00	1.008	235.63	(1.70%)	1.178	272.88	46.28	319.16	4.74	314.42	306.73	2.5%
Adult Females	6,992	218.24	4.16	0.00	1.009	224.38	(1.70%)	1.178	259.86	44.07	303.92	4.66	299.26	277.07	8.0%
<b>Composite</b>	51,032	\$111.52	\$9.55	\$0.01	1.013	\$122.50	(1.70%)	1.137	\$136.56	\$23.16	\$159.72	\$5.09	\$154.62	\$139.65	10.7%
<b>Maternity Delivery Payment</b>	204	\$3,253.02	\$0.00	\$0.00	1.000	\$3,253.02	0.00%	1.012	\$3,293.54	\$173.34	\$3,466.88	\$0.00	\$3,466.88	\$3,434.52	0.9%

<b>Region:</b>	<b>Statewide</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>			<b>2007 Proposed</b>	<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	42,029	\$238.80	\$64.86	\$0.00	1.014	\$307.92	(1.70%)	0.999	\$302.40	\$51.28	\$353.68	\$0.05	\$353.63	\$316.42	11.8%
Preschoolers	133,082	59.91	4.42	0.00	1.019	65.53	(1.70%)	0.999	64.35	10.91	75.26	1.34	73.91	78.61	(6.0%)
Children	144,252	70.25	3.20	0.00	1.010	74.22	(1.70%)	1.001	72.99	12.38	85.37	6.96	78.41	81.22	(3.5%)
Adolescents	102,072	101.59	5.82	0.07	1.010	108.56	(1.70%)	1.001	106.79	18.11	124.91	7.04	117.86	116.09	1.5%
Adult Males	9,042	223.16	10.66	0.00	1.008	235.63	(1.70%)	1.012	234.48	39.76	274.24	4.07	270.17	291.21	(7.2%)
Adult Females	74,108	218.24	4.16	0.00	1.009	224.38	(1.70%)	0.998	220.23	37.35	257.58	3.95	253.63	260.88	(2.8%)
<b>Composite</b>	504,585	\$112.38	\$9.46	\$0.01	1.013	\$123.29	(1.70%)	1.000	\$121.18	\$20.55	\$141.73	\$4.43	\$137.30	\$137.33	(0.0%)
<b>Maternity Delivery Payment</b>	1,849	\$3,253.02	\$0.00	\$0.00	1.000	\$3,253.02	0.00%	1.000	\$3,253.02	\$171.21	\$3,424.23	\$0.00	\$3,424.23	\$3,434.52	(0.3%)



State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
Low Rate Range

Region:	Northwest														
Package:	C														
	Projected	CY2007	Large	Physician	Total			Regional	Admin/		2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
	2007	Adjusted	Claim	Fee Schedule	Claim	TPL	Area	Adjusted	Profit/		Cap Rate	Carve In	Cap Rate	Cap Rate	% Change
Population	Enrollment	Claim Cost	Adjustment	Increase	Cost	Adjustment	Factor	Claim Cost	Surplus		Cap Rate	Carve In	Net of MH	Cap Rate	% Change
Newborns	22	\$126.02	\$36.03	1.022	\$165.62	0.00%	1.000	\$165.62	\$28.09		\$193.70	\$0.00	\$193.70	\$185.38	4.5%
Preschoolers	608	71.94	1.80	1.021	75.30	0.00%	0.910	68.52	11.62		80.14	1.11	79.04	77.13	2.5%
Children	821	80.54	0.27	1.012	81.82	0.00%	0.910	74.45	12.63		87.08	6.60	80.48	71.39	12.7%
Adolescents	585	100.16	10.13	1.011	111.50	0.00%	0.910	101.46	17.21		118.67	7.43	111.24	98.99	12.4%
Composite	2,036	\$84.10	\$3.95	1.015	\$89.30	0.00%	0.911	\$81.43	\$13.81		\$95.24	\$5.13	\$90.11	\$82.27	9.5%

Region:	North Central														
Package:	C														
	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/ Surplus	2007 Proposed Cap Rate	Mental Health Carve In	2007 Proposed Cap Rate	2006 Actual Cap Rate		
Population	Enrollment	Claim Cost	Adjustment	Increase	Cost	Adjustment	Factor	Claim Cost				Net of MH		% Change	
Newborns	22	\$126.02	\$36.03	1.022	\$165.62	0.00%	1.000	\$165.62	\$28.09	\$193.70	\$0.00	\$193.70	\$185.38	4.5%	
Preschoolers	610	71.94	1.80	1.021	75.30	0.00%	0.990	74.51	12.64	87.15	1.20	85.95	77.13	11.4%	
Children	725	80.54	0.27	1.012	81.82	0.00%	0.990	80.96	13.73	94.69	7.18	87.51	71.39	22.6%	
Adolescents	462	100.16	10.13	1.011	111.50	0.00%	0.990	110.33	18.71	129.04	8.08	120.96	98.99	22.2%	
Composite	1,819	\$83.19	\$3.72	1.015	\$88.18	0.00%	0.990	\$87.28	\$14.80	\$102.08	\$5.32	\$96.77	\$81.70	18.4%	

Region:	Northeast														
Package:	C														
	Projected	CY2007	Large	Physician	Total			Regional	Admin/			2007 Proposed	2007 Proposed		
	2007	Adjusted	Claim	Fee Schedule	Claim	TPL	Area	Adjusted	Profit/	2007 Proposed	Mental Health	Cap Rate	Cap Rate	2006 Actual	
Population	Enrollment	Claim Cost	Adjustment	Increase	Cost	Adjustment	Factor	Claim Cost	Surplus	Cap Rate	Carve In	Net of MH	Cap Rate	Cap Rate	% Change
Newborns	25	\$126.02	\$36.03	1.022	\$165.62	0.00%	1.000	\$165.62	\$28.09	\$193.70	\$0.00	\$193.70	\$185.38		4.5%
Preschoolers	682	71.94	1.80	1.021	75.30	0.00%	0.987	74.32	12.60	86.92	1.20	85.72	77.13		11.1%
Children	850	80.54	0.27	1.012	81.82	0.00%	0.987	80.75	13.69	94.44	7.16	87.28	71.39		22.3%
Adolescents	584	100.16	10.13	1.011	111.50	0.00%	0.987	110.04	18.66	128.70	8.06	120.64	98.99		21.9%
Composite	2,141	\$83.68	\$3.86	1.015	\$88.81	0.00%	0.987	\$87.68	\$14.87	\$102.55	\$5.42	\$97.13	\$82.08		18.3%

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
Low Rate Range

Region: West Central  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	11	\$126.02	\$36.03	1.022	\$165.62	0.00%	1.000	\$165.62	\$28.09	\$193.70	\$0.00	\$193.70	\$172.90	12.0%
Preschoolers	385	71.94	1.80	1.021	75.30	0.00%	1.028	77.38	13.12	90.51	1.25	89.26	81.68	9.3%
Children	530	80.54	0.27	1.012	81.82	0.00%	1.028	84.08	14.26	98.34	7.45	90.89	75.66	20.1%
Adolescents	<u>450</u>	<u>100.16</u>	<u>10.13</u>	<u>1.011</u>	<u>111.50</u>	<u>0.00%</u>	<u>1.028</u>	<u>114.58</u>	<u>19.43</u>	<u>134.01</u>	<u>8.39</u>	<u>125.62</u>	<u>104.77</u>	<u>19.9%</u>
<b>Composite</b>	1,376	\$84.91	\$4.21	1.014	\$90.37	0.00%	1.027	\$92.83	\$15.74	\$108.58	\$5.97	\$102.61	\$87.64	17.1%

Region: Central  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	51	\$126.02	\$36.03	1.022	\$165.62	0.00%	1.000	\$165.62	\$28.09	\$193.70	\$0.00	\$193.70	\$172.90	12.0%
Preschoolers	1,517	71.94	1.80	1.021	75.30	0.00%	0.954	71.83	12.18	84.01	1.16	82.86	81.68	1.4%
Children	1,813	80.54	0.27	1.012	81.82	0.00%	0.954	78.05	13.24	91.28	6.92	84.36	75.66	11.5%
Adolescents	<u>1,171</u>	<u>100.16</u>	<u>10.13</u>	<u>1.011</u>	<u>111.50</u>	<u>0.00%</u>	<u>0.954</u>	<u>106.36</u>	<u>18.04</u>	<u>124.40</u>	<u>7.79</u>	<u>116.61</u>	<u>104.77</u>	<u>11.3%</u>
<b>Composite</b>	4,552	\$83.23	\$3.72	1.015	\$88.22	0.00%	0.954	\$84.24	\$14.29	\$98.53	\$5.15	\$93.38	\$86.25	8.3%

Region: East Central  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	13	\$126.02	\$36.03	1.022	\$165.62	0.00%	1.000	\$165.62	\$28.09	\$193.70	\$0.00	\$193.70	\$172.90	12.0%
Preschoolers	441	71.94	1.80	1.021	75.30	0.00%	1.049	78.96	13.39	92.35	1.27	91.07	81.68	11.5%
Children	627	80.54	0.27	1.012	81.82	0.00%	1.049	85.79	14.55	100.34	7.60	92.73	75.66	22.6%
Adolescents	<u>387</u>	<u>100.16</u>	<u>10.13</u>	<u>1.011</u>	<u>111.50</u>	<u>0.00%</u>	<u>1.049</u>	<u>116.91</u>	<u>19.83</u>	<u>136.74</u>	<u>8.56</u>	<u>128.17</u>	<u>104.77</u>	<u>22.3%</u>
<b>Composite</b>	1,468	\$83.53	\$3.65	1.015	\$88.42	0.00%	1.048	\$92.65	\$15.71	\$108.36	\$5.89	\$102.47	\$86.01	19.1%

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
Low Rate Range

Region: Southeast  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Cap Rate</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	21	\$126.02	\$36.03	1.022	\$165.62	0.00%	1.000	\$165.62	\$28.09	\$193.70	\$0.00	\$193.70	\$173.97	11.3%
Preschoolers	459	71.94	1.80	1.021	75.30	0.00%	1.063	80.06	13.58	93.63	1.29	92.34	81.75	12.9%
Children	646	80.54	0.27	1.012	81.82	0.00%	1.063	86.98	14.75	101.73	7.71	94.02	75.55	24.4%
Adolescents	<u>452</u>	<u>100.16</u>	<u>10.13</u>	<u>1.011</u>	<u>111.50</u>	<u>0.00%</u>	<u>1.063</u>	<u>118.54</u>	<u>20.10</u>	<u>138.64</u>	<u>8.68</u>	<u>129.96</u>	<u>104.68</u>	<u>24.1%</u>
<b>Composite</b>	1,578	\$84.26	\$4.01	1.015	\$89.54	0.00%	1.062	\$95.05	\$16.12	\$111.17	\$6.02	\$105.15	\$87.01	20.9%

Region: Southwest  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Cap Rate</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	24	\$126.02	\$36.03	1.022	\$165.62	0.00%	1.000	\$165.62	\$28.09	\$193.70	\$0.00	\$193.70	\$173.97	11.3%
Preschoolers	632	71.94	1.80	1.021	75.30	0.00%	1.110	83.57	14.17	97.74	1.35	96.39	81.75	17.9%
Children	810	80.54	0.27	1.012	81.82	0.00%	1.110	90.80	15.40	106.20	8.05	98.15	75.55	29.9%
Adolescents	<u>568</u>	<u>100.16</u>	<u>10.13</u>	<u>1.011</u>	<u>111.50</u>	<u>0.00%</u>	<u>1.110</u>	<u>123.74</u>	<u>20.98</u>	<u>144.72</u>	<u>9.07</u>	<u>135.66</u>	<u>104.68</u>	<u>29.6%</u>
<b>Composite</b>	2,034	\$83.88	\$3.92	1.015	\$89.07	0.00%	1.109	\$98.63	\$16.73	\$115.36	\$6.16	\$109.20	\$86.78	25.8%

Region: Statewide  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Cap Rate</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	189	\$126.02	\$36.03	1.022	\$165.62	0.00%	1.000	\$165.62	\$28.09	\$193.70	\$0.00	\$193.70	\$177.71	9.0%
Preschoolers	5,334	71.94	1.80	1.021	75.30	0.00%	0.998	75.17	12.75	87.91	1.21	86.70	80.07	8.3%
Children	6,822	80.54	0.27	1.012	81.82	0.00%	1.000	81.80	13.87	95.67	7.25	88.42	74.14	19.3%
Adolescents	<u>4,659</u>	<u>100.16</u>	<u>10.13</u>	<u>1.011</u>	<u>111.50</u>	<u>0.00%</u>	<u>1.001</u>	<u>111.57</u>	<u>18.92</u>	<u>130.49</u>	<u>8.17</u>	<u>122.32</u>	<u>102.73</u>	<u>19.1%</u>
<b>Composite</b>	17,004	\$83.72	\$3.85	1.015	\$88.84	0.00%	1.000	\$88.81	\$15.06	\$103.87	\$5.53	\$98.34	\$84.99	15.7%

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
High Rate Range

<b>Region:</b>	<b>Northwest</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>		<b>2007 Proposed</b>		<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	5,588	\$254.90	\$78.76	\$0.00	1.014	\$338.33	(1.70%)	0.944	\$313.96	\$53.25	\$367.21	\$0.05	\$367.16	\$328.88	11.6%
Preschoolers	20,263	63.83	5.36	0.00	1.019	70.50	(1.70%)	0.904	62.64	10.62	73.27	1.38	71.88	73.20	(1.8%)
Children	22,647	73.44	3.88	0.00	1.010	78.13	(1.70%)	0.904	69.43	11.77	81.20	7.23	73.97	75.62	(2.2%)
Adolescents	15,543	103.34	7.06	0.07	1.010	111.59	(1.70%)	0.904	99.16	16.82	115.98	7.33	108.64	107.96	0.6%
Adult Males	1,241	230.98	12.95	0.00	1.008	245.80	(1.70%)	0.997	240.82	40.84	281.66	4.55	277.11	251.95	10.0%
Adult Females	13,537	225.15	5.06	0.00	1.009	232.25	(1.70%)	0.997	227.54	38.59	266.13	3.94	262.19	227.23	15.4%
<b>Composite</b>	78,819	\$118.27	\$10.54	\$0.01	1.012	\$130.32	(1.70%)	0.924	\$120.74	\$20.48	\$141.21	\$4.63	\$136.58	\$128.15	6.6%
<b>Maternity Delivery Payment</b>	364	\$3,575.07	\$0.00	\$0.00	1.000	\$3,575.07	0.00%	1.002	\$3,581.08	\$188.48	\$3,769.56	\$0.00	\$3,769.56	\$3,441.37	9.5%

<b>Region:</b>	<b>North Central</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>		<b>2007 Proposed</b>		<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	4,608	\$254.90	\$78.76	\$0.00	1.014	\$338.33	(1.70%)	0.928	\$308.57	\$52.33	\$360.90	\$0.05	\$360.85	\$328.88	9.7%
Preschoolers	13,340	63.83	5.36	0.00	1.019	70.50	(1.70%)	0.994	68.90	11.68	80.58	1.52	79.06	73.20	8.0%
Children	13,886	73.44	3.88	0.00	1.010	78.13	(1.70%)	0.994	76.36	12.95	89.31	7.95	81.36	75.62	7.6%
Adolescents	9,678	103.34	7.06	0.07	1.010	111.59	(1.70%)	0.994	109.06	18.50	127.56	8.06	119.49	107.96	10.7%
Adult Males	791	230.98	12.95	0.00	1.008	245.80	(1.70%)	0.921	222.46	37.73	260.19	4.20	255.98	251.95	1.6%
Adult Females	6,780	225.15	5.06	0.00	1.009	232.25	(1.70%)	0.921	210.20	35.65	245.84	3.64	242.20	227.23	6.6%
<b>Composite</b>	49,083	\$117.26	\$12.25	\$0.01	1.013	\$131.07	(1.70%)	0.977	\$123.42	\$20.93	\$144.35	\$4.83	\$139.52	\$128.90	8.2%
<b>Maternity Delivery Payment</b>	81	\$3,575.07	\$0.00	\$0.00	1.000	\$3,575.07	0.00%	0.999	\$3,572.59	\$188.03	\$3,760.62	\$0.00	\$3,760.62	\$3,441.37	9.3%

<b>Region:</b>	<b>Northeast</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>		<b>2007 Proposed</b>		<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	4,771	\$254.90	\$78.76	\$0.00	1.014	\$338.33	(1.70%)	1.000	\$332.43	\$56.38	\$388.81	\$0.05	\$388.76	\$328.88	18.2%
Preschoolers	15,047	63.83	5.36	0.00	1.019	70.50	(1.70%)	1.001	69.35	11.76	81.12	1.53	79.58	73.20	8.7%
Children	16,062	73.44	3.88	0.00	1.010	78.13	(1.70%)	1.001	76.86	13.04	89.90	8.00	81.90	75.62	8.3%
Adolescents	10,860	103.34	7.06	0.07	1.010	111.59	(1.70%)	1.001	109.78	18.62	128.40	8.12	120.28	107.96	11.4%
Adult Males	1,014	230.98	12.95	0.00	1.008	245.80	(1.70%)	0.971	234.53	39.77	274.30	4.43	269.87	251.95	7.1%
Adult Females	7,311	225.15	5.06	0.00	1.009	232.25	(1.70%)	0.971	221.60	37.58	259.18	3.84	255.34	227.23	12.4%
<b>Composite</b>	55,065	\$115.48	\$11.73	\$0.01	1.013	\$128.74	(1.70%)	0.996	\$125.57	\$21.29	\$146.86	\$4.95	\$141.91	\$126.66	12.0%
<b>Maternity Delivery Payment</b>	133	\$3,575.07	\$0.00	\$0.00	1.000	\$3,575.07	0.00%	0.983	\$3,514.52	\$184.97	\$3,699.50	\$0.00	\$3,699.50	\$3,441.37	7.5%

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
High Rate Range

Region: West Central  
Package: AB

	Projected 2007	CY2007 Adjusted	Large Claim	Foster Children	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	3,144	\$254.90	\$78.76	\$0.00	1.014	\$338.33	(1.70%)	1.046	\$347.75	\$58.98	\$406.73	\$0.05	\$406.67	\$309.00	31.6%
Preschoolers	9,990	63.83	5.36	0.00	1.019	70.50	(1.70%)	1.048	72.59	12.31	84.90	1.60	83.30	82.37	1.1%
Children	10,781	73.44	3.88	0.00	1.010	78.13	(1.70%)	1.048	80.45	13.64	94.10	8.38	85.72	85.12	0.7%
Adolescents	7,859	103.34	7.06	0.07	1.010	111.59	(1.70%)	1.048	114.91	19.49	134.39	8.50	125.90	121.48	3.6%
Adult Males	837	230.98	12.95	0.00	1.008	245.80	(1.70%)	1.095	264.56	44.87	309.42	5.00	304.42	312.93	(2.7%)
Adult Females	5,074	225.15	5.06	0.00	1.009	232.25	(1.70%)	1.095	249.97	42.39	292.37	4.33	288.03	282.25	2.0%
<b>Composite</b>	37,685	\$116.19	\$11.54	\$0.01	1.013	\$129.27	(1.70%)	1.055	\$134.77	\$22.86	\$157.62	\$5.29	\$152.33	\$142.26	7.1%
<b>Maternity Delivery Payment</b>	115	\$3,575.07	\$0.00	\$0.00	1.000	\$3,575.07	0.00%	0.964	\$3,447.64	\$181.45	\$3,629.09	\$0.00	\$3,629.09	\$3,410.52	6.4%

Region: Central  
Package: AB

	Projected 2007	CY2007 Adjusted	Large Claim	Foster Children	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	12,159	\$254.90	\$78.76	\$0.00	1.014	\$338.33	(1.70%)	0.965	\$320.90	\$54.42	\$375.32	\$0.05	\$375.27	\$309.00	21.4%
Preschoolers	38,189	63.83	5.36	0.00	1.019	70.50	(1.70%)	0.942	65.26	11.07	76.32	1.44	74.88	82.37	(9.1%)
Children	39,597	73.44	3.88	0.00	1.010	78.13	(1.70%)	0.942	72.32	12.27	84.59	7.53	77.06	85.12	(9.5%)
Adolescents	28,771	103.34	7.06	0.07	1.010	111.59	(1.70%)	0.942	103.29	17.52	120.81	7.64	113.17	121.48	(6.8%)
Adult Males	2,242	230.98	12.95	0.00	1.008	245.80	(1.70%)	0.901	217.63	36.91	254.54	4.11	250.43	312.93	(20.0%)
Adult Females	22,036	225.15	5.06	0.00	1.009	232.25	(1.70%)	0.901	205.63	34.87	240.51	3.56	236.95	282.25	(16.1%)
<b>Composite</b>	142,994	\$118.17	\$11.61	\$0.01	1.013	\$131.33	(1.70%)	0.937	\$120.63	\$20.46	\$141.08	\$4.62	\$136.46	\$144.69	(5.7%)
<b>Maternity Delivery Payment</b>	689	\$3,575.07	\$0.00	\$0.00	1.000	\$3,575.07	0.00%	1.002	\$3,583.01	\$188.58	\$3,771.59	\$0.00	\$3,771.59	\$3,410.52	10.6%

Region: East Central  
Package: AB

	Projected 2007	CY2007 Adjusted	Large Claim	Foster Children	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	3,783	\$254.90	\$78.76	\$0.00	1.014	\$338.33	(1.70%)	1.065	\$354.29	\$60.08	\$414.38	\$0.05	\$414.32	\$309.00	34.1%
Preschoolers	12,242	63.83	5.36	0.00	1.019	70.50	(1.70%)	1.078	74.70	12.67	87.37	1.65	85.72	82.37	4.1%
Children	14,059	73.44	3.88	0.00	1.010	78.13	(1.70%)	1.078	82.79	14.04	96.83	8.62	88.21	85.12	3.6%
Adolescents	10,117	103.34	7.06	0.07	1.010	111.59	(1.70%)	1.078	118.25	20.05	138.30	8.74	129.56	121.48	6.6%
Adult Males	1,195	230.98	12.95	0.00	1.008	245.80	(1.70%)	1.076	259.94	44.08	304.03	4.91	299.12	312.93	(4.4%)
Adult Females	7,097	225.15	5.06	0.00	1.009	232.25	(1.70%)	1.076	245.61	41.65	287.27	4.26	283.01	282.25	0.3%
<b>Composite</b>	48,493	\$117.49	\$11.16	\$0.01	1.012	\$130.17	(1.70%)	1.077	\$137.52	\$23.32	\$160.84	\$5.49	\$155.36	\$143.94	7.9%
<b>Maternity Delivery Payment</b>	183	\$3,575.07	\$0.00	\$0.00	1.000	\$3,575.07	0.00%	1.002	\$3,582.67	\$188.56	\$3,771.23	\$0.00	\$3,771.23	\$3,410.52	10.6%

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
High Rate Range

<b>Region:</b>	<b>Southeast</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>			<b>2007 Proposed</b>	<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	3,661	\$254.90	\$78.76	\$0.00	1.014	\$338.33	(1.70%)	1.092	\$363.34	\$61.62	\$424.95	\$0.06	\$424.90	\$310.81	36.7%
Preschoolers	10,748	63.83	5.36	0.00	1.019	70.50	(1.70%)	1.081	74.89	12.70	87.59	1.65	85.93	80.11	7.3%
Children	12,265	73.44	3.88	0.00	1.010	78.13	(1.70%)	1.081	83.00	14.08	97.07	8.64	88.43	82.83	6.8%
Adolescents	8,727	103.34	7.06	0.07	1.010	111.59	(1.70%)	1.081	118.54	20.10	138.64	8.77	129.88	118.21	9.9%
Adult Males	732	230.98	12.95	0.00	1.008	245.80	(1.70%)	1.115	269.47	45.70	315.17	5.09	310.08	306.73	1.1%
Adult Females	5,281	225.15	5.06	0.00	1.009	232.25	(1.70%)	1.115	254.62	43.18	297.80	4.41	293.39	277.07	5.9%
<b>Composite</b>	41,414	\$115.42	\$11.87	\$0.01	1.013	\$128.82	(1.70%)	1.087	\$138.34	\$23.46	\$161.81	\$5.49	\$156.31	\$138.46	12.9%
<b>Maternity Delivery Payment</b>	80	\$3,575.07	\$0.00	\$0.00	1.000	\$3,575.07	0.00%	1.017	\$3,634.72	\$191.30	\$3,826.02	\$0.00	\$3,826.02	\$3,434.52	11.4%

<b>Region:</b>	<b>Southwest</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>			<b>2007 Proposed</b>	<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	4,315	\$254.90	\$78.76	\$0.00	1.014	\$338.33	(1.70%)	1.071	\$356.15	\$60.40	\$416.55	\$0.05	\$416.49	\$310.81	34.0%
Preschoolers	13,263	63.83	5.36	0.00	1.019	70.50	(1.70%)	1.135	78.68	13.34	92.03	1.74	90.29	80.11	12.7%
Children	14,955	73.44	3.88	0.00	1.010	78.13	(1.70%)	1.135	87.20	14.79	101.99	9.08	92.91	82.83	12.2%
Adolescents	10,517	103.34	7.06	0.07	1.010	111.59	(1.70%)	1.135	124.55	21.12	145.67	9.21	136.46	118.21	15.4%
Adult Males	990	230.98	12.95	0.00	1.008	245.80	(1.70%)	1.178	284.67	48.28	332.94	5.38	327.56	306.73	6.8%
Adult Females	6,992	225.15	5.06	0.00	1.009	232.25	(1.70%)	1.178	268.97	45.62	314.59	4.66	309.93	277.07	11.9%
<b>Composite</b>	51,032	\$116.29	\$11.59	\$0.01	1.013	\$129.41	(1.70%)	1.137	\$144.16	\$24.45	\$168.61	\$5.76	\$162.85	\$139.65	16.6%
<b>Maternity Delivery Payment</b>	204	\$3,575.07	\$0.00	\$0.00	1.000	\$3,575.07	0.00%	1.012	\$3,619.60	\$190.51	\$3,810.10	\$0.00	\$3,810.10	\$3,434.52	10.9%

<b>Region:</b>	<b>Statewide</b>														
<b>Package:</b>	<b>AB</b>														
	<b>Projected</b>	<b>CY2007</b>	<b>Large</b>	<b>Foster</b>	<b>Physician</b>	<b>Total</b>			<b>Regional</b>	<b>Admin/</b>			<b>2007 Proposed</b>	<b>2006 Actual</b>	
	<b>2007</b>	<b>Adjusted</b>	<b>Claim</b>	<b>Children</b>	<b>Fee Schedule</b>	<b>Claim</b>	<b>TPL</b>	<b>Area</b>	<b>Adjusted</b>	<b>Profit/</b>	<b>2007 Proposed</b>	<b>Mental Health</b>	<b>Cap Rate</b>	<b>Cap Rate</b>	<b>% Change</b>
<b>Population</b>	<b>Enrollment</b>	<b>Claim Cost</b>	<b>Adjustment</b>	<b>Adjustment</b>	<b>Increase</b>	<b>Cost</b>	<b>Adjustment</b>	<b>Factor</b>	<b>Claim Cost</b>	<b>Surplus</b>	<b>Cap Rate</b>	<b>Carve In</b>	<b>Net of MH</b>	<b>Cap Rate</b>	<b>% Change</b>
Newborns	42,029	\$254.90	\$78.76	\$0.00	1.014	\$338.33	(1.70%)	0.999	\$332.26	\$56.35	\$388.61	\$0.05	\$388.56	\$316.42	22.8%
Preschoolers	133,082	63.83	5.36	0.00	1.019	70.50	(1.70%)	0.999	69.22	11.74	80.96	1.53	79.43	78.61	1.0%
Children	144,252	73.44	3.88	0.00	1.010	78.13	(1.70%)	1.001	76.84	13.03	89.87	8.00	81.87	81.22	0.8%
Adolescents	102,072	103.34	7.06	0.07	1.010	111.59	(1.70%)	1.001	109.77	18.62	128.39	8.11	120.27	116.09	3.6%
Adult Males	9,042	230.98	12.95	0.00	1.008	245.80	(1.70%)	1.012	244.60	41.48	286.09	4.57	281.52	291.21	(3.3%)
Adult Females	74,108	225.15	5.06	0.00	1.009	232.25	(1.70%)	0.998	227.96	38.66	266.62	3.96	262.66	260.88	0.7%
<b>Composite</b>	504,585	\$117.17	\$11.49	\$0.01	1.013	\$130.20	(1.70%)	1.000	\$127.97	\$21.70	\$149.67	\$5.00	\$144.67	\$137.33	5.3%
<b>Maternity Delivery Payment</b>	1,849	\$3,575.07	\$0.00	\$0.00	1.000	\$3,575.07	0.00%	1.000	\$3,575.07	\$188.16	\$3,763.23	\$0.00	\$3,763.23	\$3,434.52	9.6%

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
High Rate Range

Region: Northwest  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Cap Rate</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	22	\$126.90	\$43.75	1.022	\$174.41	0.00%	1.000	\$174.41	\$29.58	\$203.98	\$0.00	\$203.98	\$185.38	10.0%
Preschoolers	608	76.75	2.18	1.021	80.61	0.00%	0.910	73.35	12.44	85.79	1.16	84.63	77.13	9.7%
Children	821	90.59	0.33	1.012	92.05	0.00%	0.910	83.77	14.21	97.97	7.57	90.40	71.39	26.6%
Adolescents	585	107.17	12.29	1.011	120.78	0.00%	0.910	109.91	18.64	128.55	8.55	120.00	98.99	21.2%
<b>Composite</b>	2,036	\$91.61	\$4.79	1.015	\$97.78	0.00%	0.911	\$89.15	\$15.12	\$104.27	\$5.86	\$98.41	\$82.27	19.6%

Region: North Central  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	22	\$126.90	\$43.75	1.022	\$174.41	0.00%	1.000	\$174.41	\$29.58	\$203.98	\$0.00	\$203.98	\$185.38	10.0%
Preschoolers	610	76.75	2.18	1.021	80.61	0.00%	0.990	79.76	13.53	93.29	1.26	92.03	77.13	19.3%
Children	725	90.59	0.33	1.012	92.05	0.00%	0.990	91.09	15.45	106.54	8.24	98.30	71.39	37.7%
Adolescents	462	107.17	12.29	1.011	120.78	0.00%	0.990	119.52	20.27	139.78	9.30	130.49	98.99	31.8%
<b>Composite</b>	1,819	\$90.60	\$4.52	1.015	\$96.51	0.00%	0.990	\$95.52	\$16.20	\$111.72	\$6.07	\$105.65	\$81.70	29.3%

Region: Northeast  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	25	\$126.90	\$43.75	1.022	\$174.41	0.00%	1.000	\$174.41	\$29.58	\$203.98	\$0.00	\$203.98	\$185.38	10.0%
Preschoolers	682	76.75	2.18	1.021	80.61	0.00%	0.987	79.55	13.49	93.04	1.26	91.78	77.13	19.0%
Children	850	90.59	0.33	1.012	92.05	0.00%	0.987	90.85	15.41	106.26	8.21	98.04	71.39	37.3%
Adolescents	584	107.17	12.29	1.011	120.78	0.00%	0.987	119.20	20.22	139.42	9.27	130.14	98.99	31.5%
<b>Composite</b>	2,141	\$91.13	\$4.69	1.015	\$97.20	0.00%	0.987	\$95.96	\$16.27	\$112.23	\$6.19	\$106.04	\$82.08	29.2%



State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
High Rate Range

Region: West Central  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	11	\$126.90	\$43.75	1.022	\$174.41	0.00%	1.000	\$174.41	\$29.58	\$203.98	\$0.00	\$203.98	\$172.90	18.0%
Preschoolers	385	76.75	2.18	1.021	80.61	0.00%	1.028	82.84	14.05	96.89	1.31	95.57	81.68	17.0%
Children	530	90.59	0.33	1.012	92.05	0.00%	1.028	94.60	16.04	110.64	8.55	102.09	75.66	34.9%
Adolescents	450	107.17	12.29	1.011	120.78	0.00%	1.028	124.12	21.05	145.17	9.66	135.52	104.77	29.3%
<b>Composite</b>	1,376	\$92.43	\$5.11	1.014	\$98.90	0.00%	1.027	\$101.60	\$17.23	\$118.83	\$6.82	\$112.01	\$87.64	27.8%

Region: Central  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	51	\$126.90	\$43.75	1.022	\$174.41	0.00%	1.000	\$174.41	\$29.58	\$203.98	\$0.00	\$203.98	\$172.90	18.0%
Preschoolers	1,517	76.75	2.18	1.021	80.61	0.00%	0.954	76.89	13.04	89.93	1.22	88.72	81.68	8.6%
Children	1,813	90.59	0.33	1.012	92.05	0.00%	0.954	87.81	14.89	102.70	7.94	94.76	75.66	25.2%
Adolescents	1,171	107.17	12.29	1.011	120.78	0.00%	0.954	115.22	19.54	134.76	8.96	125.79	104.77	20.1%
<b>Composite</b>	4,552	\$90.65	\$4.51	1.015	\$96.55	0.00%	0.954	\$92.19	\$15.64	\$107.83	\$5.87	\$101.95	\$86.25	18.2%

Region: East Central  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	13	\$126.90	\$43.75	1.022	\$174.41	0.00%	1.000	\$174.41	\$29.58	\$203.98	\$0.00	\$203.98	\$172.90	18.0%
Preschoolers	441	76.75	2.18	1.021	80.61	0.00%	1.049	84.52	14.33	98.85	1.34	97.52	81.68	19.4%
Children	627	90.59	0.33	1.012	92.05	0.00%	1.049	96.52	16.37	112.89	8.73	104.16	75.66	37.7%
Adolescents	387	107.17	12.29	1.011	120.78	0.00%	1.049	126.64	21.48	148.12	9.85	138.27	104.77	32.0%
<b>Composite</b>	1,468	\$91.13	\$4.43	1.015	\$96.92	0.00%	1.048	\$101.55	\$17.22	\$118.77	\$6.73	\$112.04	\$86.01	30.3%

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Non-MAU Population  
High Rate Range

Region: Southeast  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	21	\$126.90	\$43.75	1.022	\$174.41	0.00%	1.000	\$174.41	\$29.58	\$203.98	\$0.00	\$203.98	\$173.97	17.3%
Preschoolers	459	76.75	2.18	1.021	80.61	0.00%	1.063	85.70	14.53	100.23	1.36	98.87	81.75	20.9%
Children	646	90.59	0.33	1.012	92.05	0.00%	1.063	97.87	16.60	114.46	8.85	105.61	75.55	39.8%
Adolescents	452	107.17	12.29	1.011	120.78	0.00%	1.063	128.41	21.78	150.18	9.99	140.19	104.68	33.9%
<b>Composite</b>	1,578	\$91.80	\$4.88	1.015	\$98.05	0.00%	1.062	\$104.09	\$17.65	\$121.75	\$6.88	\$114.87	\$87.01	32.0%

Region: Southwest  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	24	\$126.90	\$43.75	1.022	\$174.41	0.00%	1.000	\$174.41	\$29.58	\$203.98	\$0.00	\$203.98	\$173.97	17.3%
Preschoolers	632	76.75	2.18	1.021	80.61	0.00%	1.110	89.46	15.17	104.63	1.42	103.21	81.75	26.2%
Children	810	90.59	0.33	1.012	92.05	0.00%	1.110	102.16	17.33	119.48	9.24	110.25	75.55	45.9%
Adolescents	568	107.17	12.29	1.011	120.78	0.00%	1.110	134.04	22.73	156.77	10.43	146.35	104.68	39.8%
<b>Composite</b>	2,034	\$91.35	\$4.76	1.015	\$97.49	0.00%	1.109	\$107.97	\$18.31	\$126.28	\$7.03	\$119.25	\$86.78	37.4%

Region: Statewide  
Package: C

	Projected 2007	CY2007 Adjusted	Large Claim	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed	2006 Actual	
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Net of MH</u>	<u>Cap Rate</u>	<u>% Change</u>
Newborns	189	\$126.90	\$43.75	1.022	\$174.41	0.00%	1.000	\$174.41	\$29.58	\$203.98	\$0.00	\$203.98	\$177.71	14.8%
Preschoolers	5,334	76.75	2.18	1.021	80.61	0.00%	0.998	80.46	13.65	94.11	1.28	92.83	80.07	15.9%
Children	6,822	90.59	0.33	1.012	92.05	0.00%	1.000	92.03	15.61	107.64	8.32	99.32	74.14	34.0%
Adolescents	4,659	107.17	12.29	1.011	120.78	0.00%	1.001	120.86	20.50	141.36	9.40	131.96	102.73	28.5%
<b>Composite</b>	17,004	\$91.20	\$4.67	1.015	\$97.25	0.00%	1.000	\$97.22	\$16.49	\$113.71	\$6.31	\$107.39	\$84.99	26.4%

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
MAU Population  
Low Rate Range

Region:  
Package:

Statewide  
AB

	Projected 2007	CY2007 Adjusted	Large Claim	Foster Children	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Cap Rate</u>
Newborns	4	\$800.78	\$319.18	\$0.00	1.015	\$1,136.54	(1.70%)	1.000	\$1,117.22	\$189.47	\$1,306.69	\$0.00	\$1,306.69
Preschoolers	1,724	350.27	191.83	0.00	1.007	545.84	(1.70%)	1.000	536.56	91.00	627.56	13.27	614.29
Children	3,721	266.01	54.60	0.00	1.005	322.31	(1.70%)	1.000	316.83	53.73	370.56	38.13	332.43
Adolescents	2,751	254.70	43.28	0.17	1.001	298.20	(1.70%)	1.000	293.13	49.71	342.84	26.71	316.13
Adult Males	700	359.12	30.72	0.00	1.006	392.34	(1.70%)	1.000	385.67	65.41	451.08	5.42	445.66
Adult Females	4,509	445.30	45.53	0.00	1.006	493.73	(1.70%)	1.000	485.33	82.31	567.64	13.22	554.42
<b>Composite</b>	13,409	\$339.83	\$65.71	\$0.03	1.005	\$407.64	(1.70%)	1.000	\$400.71	\$67.96	\$468.67	\$22.50	\$446.17
<b>Maternity Delivery Payment</b>	22	\$3,658.02	\$0.00	\$0.00	1.000	\$3,658.02	0.00%	1.000	\$3,658.02	\$192.53	\$3,850.54	\$0.00	\$3,850.54

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
MAU Population  
High Rate Range

Region:  
Package:

Statewide  
AB

	Projected 2007	CY2007 Adjusted	Large Claim	Foster Children	Physician Fee Schedule	Total Claim	TPL	Area	Regional Adjusted	Admin/ Profit/	2007 Proposed	Mental Health	2007 Proposed
<u>Population</u>	<u>Enrollment</u>	<u>Claim Cost</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Increase</u>	<u>Cost</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Claim Cost</u>	<u>Surplus</u>	<u>Cap Rate</u>	<u>Carve In</u>	<u>Cap Rate</u> <u>Net of MH</u>
Newborns	4	\$829.90	\$347.34	\$0.00	1.015	\$1,194.67	(1.70%)	1.000	\$1,174.36	\$199.16	\$1,373.52	\$0.00	\$1,373.52
Preschoolers	1,724	367.75	208.76	0.00	1.007	580.49	(1.70%)	1.000	570.62	96.77	667.39	13.85	653.55
Children	3,721	281.07	59.42	0.00	1.005	342.30	(1.70%)	1.000	336.48	57.06	393.54	40.73	352.82
Adolescents	2,751	256.58	47.10	0.17	1.001	303.89	(1.70%)	1.000	298.73	50.66	349.39	28.50	320.89
Adult Males	700	361.44	33.43	0.00	1.006	397.40	(1.70%)	1.000	390.64	66.25	456.89	5.75	451.14
Adult Females	4,509	449.05	49.55	0.00	1.006	501.54	(1.70%)	1.000	493.02	83.61	576.63	14.07	562.56
<b>Composite</b>	13,409	\$348.04	\$71.50	\$0.03	1.005	\$421.72	(1.70%)	1.000	\$414.55	\$70.30	\$484.86	\$23.96	\$460.90
<b>Maternity Delivery Payment</b>	22	\$4,020.16	\$0.00	\$0.00	1.000	\$4,020.16	0.00%	1.000	\$4,020.16	\$211.59	\$4,231.75	\$0.00	\$4,231.75



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## **ENCLOSURE 4**

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
Low Rate Range

5/15/2006  
4:13 PM

Region: Statewide  
Package: AB

Comparison Excludes Mental Health Services Carve-In

	<u>Projected</u> <u>Non-MAU 2007</u> <u>Enrollment</u>	<u>2007 Proposed</u> <u>Non-MAU Rate</u>	<u>Projected</u> <u>MAU 2007</u> <u>Enrollment</u>	<u>2007 Proposed</u> <u>MAU Rate</u>	<u>Composite</u> <u>Enrollment</u>	<u>Composite</u> <u>2007 Rate</u>	<u>2006 Actual</u> <u>Cap Rate</u>	<u>% Change</u>
Population								
Newborns	42,029	\$353.63	4	\$1,306.69	42,033	\$353.73	\$316.42	11.8%
Preschoolers	133,082	73.91	1,724	614.29	134,806	80.82	78.61	2.8%
Children	144,252	78.41	3,721	332.43	147,973	84.80	81.22	4.4%
Adolescents	102,072	117.86	2,751	316.13	104,823	123.07	116.09	6.0%
Adult Males	9,042	270.17	700	445.66	9,742	282.78	291.21	(2.9%)
Adult Females	74,108	253.63	4,509	554.42	78,617	270.88	260.88	3.8%
<b>Composite</b>	504,585	\$137.30	13,409	\$446.17	517,994	\$145.30	\$137.90	5.4%
<b>Maternity Delivery Payment</b>	1,849	\$3,424.23	22	\$3,850.54	1,871	3,429.24	\$3,441.37	(0.4%)

Region: Statewide  
Package: C

Comparison Excludes Mental Health Services Carve-In

	<u>Projected</u> <u>Non-MAU 2007</u> <u>Enrollment</u>	<u>2007 Proposed</u> <u>Non-MAU Rate</u>	<u>2006 Actual</u> <u>Cap Rate</u>	<u>% Change</u>
Population				
Newborns	189	\$193.70	\$177.71	9.0%
Preschoolers	5,334	86.70	80.07	8.3%
Children	6,822	88.42	74.14	19.3%
Adolescents	4,659	122.32	102.73	19.1%
<b>Composite</b>	17,004	\$98.34	\$84.99	15.7%

Total Expenditures Excluding Mental Health Carve-In

	<u>CY2007</u>	<u>CY2006</u>	<u>% Change</u>	<u>Change</u>
Package AB	\$903,148,000	\$857,184,000	5.4%	\$45,964,000
Package C	\$20,066,000	\$17,341,000	15.7%	\$2,725,000
Maternity Case Rate	\$76,993,000	\$77,266,000	(0.4%)	(\$273,000)
<b>Total</b>	\$1,000,207,000	\$951,791,000	5.1%	\$48,416,000

Total Expenditures with Mental Health

	<u>Non-MAU</u>	<u>MAU</u>	<u>Total</u>	<u>CY2006</u>	<u>% Change</u>	<u>Change</u>
Package AB	\$733,721,976	\$64,477,943	\$798,199,919	\$741,464,160	7.7%	\$56,735,759
Package C	18,121,039		18,121,039	14,999,965	20.8%	3,121,074
Maternity Case Rate	72,177,972	\$965,716	73,143,688	74,175,360	(1.4%)	(1,031,672)
Administration	131,304,381	10,985,683	142,290,064	121,151,515	17.4%	21,138,549
<b>Total Expenditures</b>	\$955,325,368	\$76,429,343	\$1,031,754,711	\$951,791,000	8.4%	\$79,963,711
<b>Total Admin %</b>	13.8%			12.7%	8.3%	

State of Indiana  
Office of Medicaid Policy & Planning  
CY2007 Capitation Rates  
High Rate Range

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Region: Statewide  
Package: AB

Comparison Excludes Mental Health Services Carve-In

<u>Population</u>	<u>Projected Non-MAU 2007 Enrollment</u>	<u>2007 Proposed Non-MAU Rate</u>	<u>Projected MAU 2007 Enrollment</u>	<u>2007 Proposed MAU Rate</u>	<u>Composite Enrollment</u>	<u>Composite 2007 Rate</u>	<u>2006 Actual Cap Rate</u>	<u>% Change</u>
Newborns	42,029	\$388.56	4	\$1,373.52	42,033	\$388.65	\$316.42	22.8%
Preschoolers	133,082	79.43	1,724	653.55	134,806	86.77	78.61	10.4%
Children	144,252	81.87	3,721	352.82	147,973	88.69	81.22	9.2%
Adolescents	102,072	120.27	2,751	320.89	104,823	125.54	116.09	8.1%
Adult Males	9,042	281.52	700	451.14	9,742	293.71	291.21	0.9%
Adult Females	74,108	262.66	4,509	562.56	78,617	279.86	260.88	7.3%
<b>Composite</b>	504,585	\$144.67	13,409	\$460.90	517,994	\$152.86	\$137.90	10.8%
<b>Maternity Delivery Payment</b>	1,849	\$3,763.23	22	\$4,231.75	1,871	3,768.74	\$3,441.37	9.5%

Region: Statewide  
Package: C

Comparison Excludes Mental Health Services Carve-In

<u>Population</u>	<u>Projected Non-MAU 2007 Enrollment</u>	<u>2007 Proposed Non-MAU Rate</u>	<u>2006 Actual Cap Rate</u>	<u>% Change</u>
Newborns	189	\$203.98	\$177.71	14.8%
Preschoolers	5,334	92.83	80.07	15.9%
Children	6,822	99.32	74.14	34.0%
Adolescents	4,659	131.96	102.73	28.5%
<b>Composite</b>	17,004	\$107.39	\$84.99	26.4%

Total Expenditures Excluding Mental Health Carve-In

	<u>CY2007</u>	<u>CY2006</u>	<u>% Change</u>	<u>Change</u>
Package AB	\$950,162,000	\$857,184,000	10.8%	\$92,978,000
Package C	\$21,913,000	\$17,341,000	26.4%	\$4,572,000
Maternity Case Rate	\$84,616,000	\$77,266,000	9.5%	\$7,350,000
<b>Total</b>	\$1,056,691,000	\$951,791,000	11.0%	\$104,900,000

Total Expenditures with Mental Health

	<u>Non-MAU</u>	<u>MAU</u>	<u>Total</u>	<u>CY2006</u>	<u>% Change</u>	<u>Change</u>
Package AB	\$774,853,192	\$66,704,908	\$841,558,100	\$741,464,160	13.5%	\$100,093,940
Package C	19,837,311		19,837,311	14,999,965	32.2%	4,837,346
Maternity Case Rate	79,323,591	\$1,061,322	80,384,913	74,175,360	8.4%	6,209,553
Administration	138,946,999	11,368,387	150,315,387	121,151,515	24.1%	29,163,872
<b>Total Expenditures</b>	\$1,012,961,094	\$79,134,618	\$1,092,095,712	\$951,791,000	14.7%	\$140,304,712
<b>Total Admin %</b>	13.8%			12.7%	8.1%	





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## **ENCLOSURE 5**

**State of Indiana**  
**Office of Medicaid Policy & Planning**  
**Calendar Year 2007 Capitation Rates**  
**Statewide Morbidity Adjustments Applied to PCCM Experience**

**Package AB**

<b><u>Population</u></b>	<b><u>FY2003</u></b>	<b><u>FY2004</u></b>	<b><u>FY2005</u></b>
Newborns	1.040	1.045	1.043
Preschoolers	1.075	1.080	1.077
Children	1.075	1.080	1.077
Adolescents	1.075	1.080	1.077
Adult Males	1.098	1.106	1.108
Adult Females	1.098	1.106	1.108

**Package C**

<b><u>Population</u></b>	<b><u>FY2003</u></b>	<b><u>FY2004</u></b>	<b><u>FY2005</u></b>
Newborns	1.000	1.000	1.000
Preschoolers	1.057	1.062	1.058
Children	1.057	1.062	1.058
Adolescents	1.057	1.062	1.058



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## **ENCLOSURE 6**

**State of Indiana**  
**Office of Medicaid Policy & Planning**  
**Calendar Year 2007 Capitation Rates**  
**Completion Factors Applied to State Fiscal Year 2005 Experience**

<b><u>Service Category</u></b>	<b><u>Children</u></b>	<b><u>Adults</u></b>	<b><u>CHIP2</u></b>
Inpatient Hospital	0.985	0.996	0.999
Inpatient Psych	0.998	0.996	1.000
Outpatient	0.997	0.997	0.998
Physician	0.988	0.986	0.996
Pharmacy	1.000	1.000	1.000
DME	0.995	0.993	0.995
Lab/Radiology	0.993	0.993	0.995
Transportation	0.987	0.991	0.991
Mental Health Services	0.998	0.995	0.995



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**ENCLOSURE 7**

**State of Indiana**  
**Office of Medicaid Policy & Planning**  
**Calendar Year 2007 Capitation Rates**  
**Regional Area Factors**

**Package AB**

<u><b>New Regions</b></u>	<u><b>Newborns</b></u>	<u><b>Children</b></u>	<u><b>Adults</b></u>	<u><b>Maternity</b></u>
Northeast	0.999	0.998	0.959	0.983
North Central	0.937	0.997	0.936	0.999
Northwest	0.945	0.904	0.997	1.002
East Central	1.062	1.073	1.067	1.002
West Central	1.047	1.048	1.095	0.964
Central	0.966	0.942	0.901	1.002
Southwest	1.072	1.135	1.178	1.012
Southeast	1.094	1.081	1.115	1.017

**Package C**

<u><b>New Regions</b></u>	<u><b>Newborns</b></u>	<u><b>Children</b></u>
Northeast	1.000	0.987
North Central	1.000	0.990
Northwest	1.000	0.910
East Central	1.000	1.049
West Central	1.000	1.028
Central	1.000	0.954
Southwest	1.000	1.110
Southeast	1.000	1.063